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SUBJECT: Juba Shows Signs of Inflation in March

¶1. A market survey in Juba taken the second week of March shows some signs of inflationary tendencies. Overall prices jumped nearly 8 points from a similar survey taken in February. Food and beverages led the way

with a rise of 8.5 percent, although this was partially offset by a small decrease in the household goods sector. Apparel also saw a small rise, with prices in the transportation and entertainment sectors remaining level.

¶2. The rise in prices could be attributed to an erratic and undeveloped supply chain, as well as increased insecurity on the Yei-Juba road (most goods are trucked in through from Uganda through Yei). The current survey was taken before the rains began to effect road travel, so another increase in April is expected.

¶3. This does not necessarily translate to an 8 percent rise in the real cost of living in Juba, as there is a high degree of flexibility in purchasing patterns, and many households are completely outside the monetary economy, relying solely on bartering and subsistence farming.

¶4. Methodology: A local employee of the USG completed the price survey. Prices of goods were then adjusted based upon an estimation of the frequency of purchase for an average family of four in one month. Due to the ad hoc nature of data collection, these numbers are only intended to be used as a general guide to capture market conditions in Juba. Figures should not be compared to other inflation indexes. Furthermore, because prices are so low and the basket of goods for an average household so limited, small changes in pricing will lead to a larger percentage change than in more developed economies with broader selections of goods available. Once it is fully operational, the Bank of Southern Sudan plans to do a more precise and detailed consumer price index.

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